

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2544 – SB 2523

April 5, 2010

SUMMARY OF AMENDMENT (015218): Deletes requirement in the original bill that all revenue generated from the fine for a violation of super speeding be allocated to the Trauma System Fund. Requires that \$20 from each fine be deposited into the General Fund. Requires half of the remaining proceeds be deposited into the Trauma System Fund and half be allocated to the Department of Safety to be used for operation and maintenance of the Tennessee Integrated Traffic Analysis Network (TITAN).

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$3,762,000/Trauma System Fund

Decrease State Revenue - \$313,100/General Fund

Increase Local Revenue – Net Impact - \$181,500

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue –

\$1,692,900/Trauma System Fund

\$1,692,900/Earmarked for Department of Safety TITAN

Net Impact – \$63,100 /General Fund

Increase Local Revenue – Net Impact - \$181,500

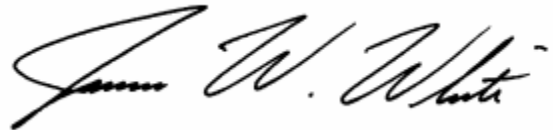
Assumptions applied to amendment:

- The Department of Safety (DOS) estimates the number of convictions to be 29,300 per year statewide.
- According to DOS, the average fine under current law is \$15 per violation.
- Twenty-five percent will not pay fines due to indigence.
- Five percent of fine revenue is retained by local government as commission.
- Fine revenue (under current law) retained by local government is estimated to be \$16,500 per year ($29,300 \times \$15 \times 75\% \times 5\% = \$16,481$).
- Fine revenue (under current law) remitted to the state is estimated to be \$313,100 per year ($29,300 \times \$15 \times 75\% \times 95\% = \$313,144$). Under current law, 100 percent of the fine revenue remitted to the state is deposited to the General Fund.

- The number of offenders is expected to decline due to a deterrent effect from increased fines. It is estimated that the number of offenders will decline by approximately 10 percent. This will result in approximately 26,400 convictions ($29,300 \times 90\%$).
- Fine revenue (under this bill) retained by local government is estimated to be \$198,000 per year ($26,400 \times \$200 \times 75\% \times 5\% = \$198,000$).
- The net increase to local government revenue is estimated to be \$181,500 per year ($\$198,000 - \$16,500 = \$181,500$).
- Fine revenue (under this bill) remitted to the state is estimated to be \$3,762,000 per year ($26,400 \times \$200 \times 75\% \times 95\% = \$3,762,000$).
- Under this bill, \$20 from each fine will be deposited into the General Fund. The net impact will be an increase to recurring state revenue to the General Fund of \$63,100 [$(26,400 \times \$20 \times 75\% \times 95\%) - \$313,100$]. Half of the remaining state revenue will be deposited into the Trauma System Fund, which will increase by \$1,692,900 [$(\$3,762,000 - \$376,200) \times 50\%$]. The other half (\$1,692,900) will be allocated to DOS for operating and maintaining TITAN.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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